

MCBRIDE SHOPA & COMPANY, P.A.

COLONIAL SCHOOL DISTRICT

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

JUNE 30, 2006

FIELDWORK END DATE: NOVEMBER 27, 2006

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Independent Accountant's Report on Applying Agreed-Upon Procedures

George H. Meney, Ed. D.
Superintendent
Colonial School District
318 E. Basin Road
New Castle, DE 19720

The Honorable Valerie A. Woodruff
Secretary, Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19901

We have performed the procedures enumerated below, which were agreed to by Colonial School District, the Office of Auditor of Accounts, and the State of Delaware Department of Education. The procedures were performed solely to assist the specified parties in evaluating the School District's compliance with criteria from the State of Delaware Fixed Asset Policy Manual, the State of Delaware Department of Education Construction Technical Assistance Manual, the Delaware Code, and the State of Delaware Budget and Accounting Manual. Colonial School District's management is responsible for compliance with those requirements.

This agreed-upon procedures attestation engagement was performed in accordance with *Government Auditing Standards* (2003), issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Determine if the School District's policies and procedures for identifying, tracking, and recording capital assets are adequate.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

2. Determine whether the School District's construction project records and files (current and prior fiscal years) are accurate.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

Thomas John Shopa, CPA, CFP, CVA
Charles H. Elter, CPA, CFP
Robert S. Smith, CPA
Ronald E. Derr, CPA
George G. Fournaris, CPA, CGFM

Donald S. Ermenhiser, CPA, CFP, MBA
Edward T. Gallagher, CPA, CIA
Dana L. Ketterer, CPA
Clyde G. Hartman, CPA/ABV, CFE, CVA
Cameron B. McDonald, CPA, CCIFP
Jean D. Lloyd, CPA
Scott G. Sipple, Jr., CPA
Stuart A. Solomon, CPA (NJ)
Alison L. Houck, CPA

Members of:
American Institute of CPA's
Private Companies Practice Section
Delaware Society of CPA's

Certified Public Accountants
A Professional Association

270 Presidential Drive
Wilmington, DE 19807
(302) 656-5500
(302) 656-8024 Fax

37212 Rehoboth Avenue Ext.
Rehoboth Beach, DE 19971
(302) 227-4872
(302) 227-4873 Fax
www.mcbrideshopa.com



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3. Determine if expenditures are accurately stated and are made in accordance with the State Fixed Asset Policy Manual and the intent of the project scope mandated by the General Assembly, the Department of Education, and the Local Board of Education.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

4. Determine whether the School District's construction project records and files include only active construction projects as of June 30 of the CFY. Ensure that completed projects have been appropriately closed out of construction and added to the State Fixed Asset system.

Our procedures disclosed no instances of noncompliance that resulted in findings and recommendations.

5. Prepare the School District's Schedule of Construction Projects for Fiscal Year 2006.

See Appendix C.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Colonial School District management and Board Members and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, Department of Finance, the State Treasurer's Office, and the Office of Auditor of Accounts.

Sincerely,

McBride, Shopa & Co

Wilmington, Delaware
November 27, 2006

SCHEDULE OF CONSTRUCTION PROJECTS

APPENDIX C

Projects included in Construction Work in Progress in the State CAFR

Project Name	Fiscal Year	Original Funding Amount	De-auth Funding Amount	Total Project Funding to Date	Expended Current FY	Expended Prior FY's	Total Project Expended to Date	Total Unspent as of 06/30/06
Colwyck Elementary	2003	371,300	-	371,300	-	371,300	371,300	-
Colwyck Elementary	2004	4,649,600	1,325,000	5,974,600	839,621	4,345,378	5,184,999	789,601
Wrangle Hill Elementary	2006	8,683,200	-	8,683,200	1,233,128	-	1,233,128	7,450,072
Wrangle Hill Elementary	2006	1,099,396	-	1,099,396	1,099,396	-	1,099,396	-
Total		14,803,496	1,325,000	16,128,496	3,172,145	4,716,678	7,888,823	8,239,673

SCHEDULE OF CONSTRUCTION PROJECTS

APPENDIX C

Other Construction Related Projects

(these expenditures are added as betterments to projects/buildings already in the State Fixed Asset ledger)

Project Name	Fiscal Year	Original Funding Amount	De-auth Funding Amount	Total Project Funding to Date	Expended Current FY	Expended Prior FY's	Total Project Expended to Date	Total Unspent as of 06/30/06
McCullough Elementary	2001	1,538,500	-	1,538,500	-	1,538,500	1,538,500	-
McCullough Elementary	2002	7,211,500	-	7,211,500	-	7,211,500	7,211,500	-
McCullough Elementary	2003	1,000,000	-	1,000,000	-	1,000,000	1,000,000	-
Gunning Bedford Middle	2001	1,538,500	-	1,538,500	-	1,538,500	1,538,500	-
Gunning Bedford Middle	2002	3,000,000	-	3,000,000	-	3,000,000	3,000,000	-
Gunning Bedford Middle	2003	2,827,700	-	2,827,700	-	2,827,700	2,827,700	-
William Penn High	2001	6,153,800	-	6,153,800	-	6,153,800	6,153,800	-
William Penn High	2002	6,153,800	-	6,153,800	-	6,153,800	6,153,800	-
William Penn High	2003	9,019,000	1,225,981	10,244,981	821,788	8,955,748	9,777,537	467,445
Downie Elementary	2003	4,168,800	-	4,168,800	-	4,168,800	4,168,800	-
Downie Elementary	2004	493,200	84,538	577,738	50,921	526,817	577,738	-
New Castle Middle	2003	5,765,000	75,000	5,840,000	50,585	5,749,011	5,799,596	40,404
Wilmington Manor	2003	2,101,100	-	2,101,000	-	2,101,100	2,101,100	-
Wilmington Manor	2004	2,070,900	(30,519)	2,040,381	-	2,040,381	2,040,381	-
Eisenberg Elementary	2004	4,739,400	(175,000)	4,564,400	57,179	4,494,081	4,551,260	13,140

SCHEDULE OF CONSTRUCTION PROJECTS

APPENDIX C

MLK Jr Elementary	2004	3,865,400	(2,735,000)	1,130,400	-	518,494	518,494	611,906
Pleasantville Elementary	2004	4,616,100	230,000	4,846,100	222,913	4,576,390	4,799,303	46,797
Colwyck Elementary	2004	**	**	**	173,564	**	**	**
Wrangle Hill Elementary	2006	**	**	**	117,900	**	**	**
Total		66,262,700	(1,325,000)	64,937,700	1,494,850	62,554,622	64,049,472	888,228

**Total Construction
Projects Examined**

\$81,066,196 \$ 0 \$81,066,196 \$4,666,995 \$67,271,300 \$71,938,295 \$9,127,901

**** Amounts shown in the first table for the CWIP portion of this appropriation; not included in this table to avoid double counting.
Amounts included in this table represent the non-CWIP portion of expenditure for this appropriation.**

DISTRIBUTION OF REPORT

Copies of Colonial School District's Agreed-upon Procedures Attestation Engagement have been distributed to the following public officials:

Executive Branch

The Honorable Ruth Ann Minner, Governor, State of Delaware
The Honorable Richard S. Cordrey, Secretary, Department of Finance
The Honorable Jennifer W. Davis, Director, Office of Management and Budget
Ms. Trisha Neely, Director, Division of Accounting, Department of Finance
The Honorable Valerie A. Woodruff, Secretary, Department of Education

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of Controller General

Other Elective Offices

The Honorable Joseph R. Biden, III, Attorney General, Office of the Attorney General
The Honorable Jack Markell, Treasurer, State Treasurer's Office

Other

Ms. Dorcell S. Spence, Associate Secretary - Finance and Administrative Services Branch,
Department of Education
Kathleen H. Wilbur, President, Colonial Board of Education
Diane L. Callaway, Vice President, Colonial Board of Education
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George H. Meney, Ed. D, Superintendent, Colonial Board of Education
Karen S. Thorpe, Director of Business, Colonial School District